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Maine Central Railroad Company

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COPY OF LEASE

EUROPEAN & NORTH AMERICAN RAILWAY

TO

MAINE CENTRAL RAILROAD COMPANY,

AUGUST 31st, 1882.



RAYMOND H. FOGLER LIBRARY
ORONO, MAINE

BEQUEST OF
PAUL E. TAYLOR, M.D.
CLASS OF 1938

This Indenture, made this thirty-first day of August, A. D. 1882, by and between the European and North American Railway, on the one part, and the Maine Central Railroad Company, on the other part, corporations existing under the laws of the State of Maine, WITNESSETH: That in consideration of the rents and covenants hereinafter reserved and contained, by and on the part of the Maine Central Railroad Company to be paid, done and performed, the said European and North American Railway does hereby demise and lease to said Maine Central Railroad Company, its railroad, as now chartered, located and constructed from the City of Bangor to the eastern boundary of the said State, with all its rights of way, side tracks, branches, station grounds, depots, bridges, piers, wharves, and easements, and all equipment and apparatus, and all property and estate, real, personal and mixed, wheresoever the same may be situate, belonging to said European and North American Railway; also all tolls, rates, fares, and income which it is now or hereafter may be entitled to receive and take, and all its right to demand, receive, and collect the same.

TO HAVE AND TO HOLD the said railroad, property, estate, rights and privileges, and all and singular the premises hereby demised, with the appurtenances thereof, to said Maine Central Railroad Company, its successors and assigns, for and during the full term of nine hundred and ninety-nine years from the first day of April, in the year of our Lord, one thousand eight hundred and eighty-two.

Subject to the provisions of all the special acts of the Legislature of the said State, creating, limiting, or defining the rights, powers and duties of said European and North American Railway, and to all the general laws of said State affecting said corporation, which are now in force or may hereafter be enacted.

Subject also to all mortgages, liens, incumbrances, and leases, of or upon said railroad, property, estate, privileges and rights, or any part thereof.

Reserving hereupon a yearly rent, payable by said lessee to said European and North American Railway, of the sum of one hundred and twenty-five thousand dollars, being at the rate of five per centum a year on the capital stock of said European and North American Railway, of two million five hundred thousand dollars, consisting of twenty-five thousand shares of one hundred dollars each at the par value, to be paid in equal half yearly payments, at said Bangor, on the first days of October and April in every year, for and during the term of this lease, the first payment of sixty-two thousand five hundred dollars to be made on the first day of October, A. D. 1882.

This lease is made and accepted upon the following further terms, covenants and agreements,—all covenants and agreements on the part of said lessee to be binding on its successors, and its assigns, in case this lease shall be assigned as hereinafter provided :—

First. The said lessee is to maintain, operate and use the railroad, property and privileges hereby demised, in furtherance of the objects contemplated by the charter of said European and North American Railway, and in pursuance of the general and special laws of said State, relating to said corporation, and in such manner as to promote the best public convenience and advantage under said charter and laws, during the term of this lease.

Second. The said lessee further covenants that it will, at all times during the term of this lease, maintain and keep the said railroad, buildings, superstructure, equipment and apparatus, and such as may be substituted in pursuance of this indenture, in place of the same, in good and substantial repair and condition, and will from time to time make such alterations, improvements and enlargements of said railroad and its appurtenances, and such

additions to and renewals of its buildings, equipment, and apparatus as shall be necessary for the most safe, convenient and regular transportation of passengers, goods, and mails upon all and every part of the line, and from the several stations of said railroad so as to accomplish most effectually the public objects contemplated by said charter and the laws of said State affecting said European and North American Railway, and to promote and sustain most beneficially all the possible reversionary interests of said European and North American Railway, always keeping said railroad, equipment and apparatus in as good condition as they are now in, and always having equipment, locomotives, cars, and apparatus, as many and in as good condition as they are now, and replacing all those worn out or destroyed. Said lessee is to pay the balances due on contracts for sale to said European and North American Railway of lots on Washington Street, in Bangor, being part of its terminal facilities, and the conveyances thereof, in pursuance of said contracts, are to be made to said European and North American Railway, and assume and carry out the terms of contract between Bangor Bridge Company and Hamlin and Hayford, Trustees, dated April 15, 1880. And in case of the purchase of any real estate appurtenant to said railroad during the term of this lease, the title shall always be in, and deeds to, said European and North American Railway, all the property thus conveyed to be held by said lessee under the terms of the lease, and the European and North American Railway shall make such assurances of title as to said after acquired real estate, as will give said lessee the same title, and interest and rights in same, as in the other property hereby demised.

Third. The said lessee is hereby authorized to sell or otherwise dispose of, alter, amend, and repair any of the buildings, rails, equipment and apparatus of said railroad, or which may at any time be used or employed about said railroad, or be appurtenant thereto, so, however, that in all such cases there shall be substituted in place of that which is sold or otherwise disposed

of, altered, or amended or repaired, other property of like kind and equally good for the like purposes; and the said lessee is hereby authorized to cause to be made or constructed any new buildings, tracks, rails, apparatus, equipment, or other movable property, necessary and beneficial, to be used for the purposes of said railroad, and to make any and all improvements, alterations and repairs, renewals and enlargements of said railroad, which may be necessary for the efficiency and use of the same, but not so as to divert the same substantially from its present location, nor to impair the most convenient public use of the same; and in case of cars, locomotives, and equipment and apparatus so substituted or added, or substituted for like property worn out or destroyed, suitable marks shall be placed thereon to identify them, and such other acts done as shall be necessary to give them the same status and make them the property of the European and North American Railway, and subject to the terms of this lease the same as the property for which it is substituted. A careful examination of the present condition of the railroad and property hereby leased is to be made, and a report and schedule of the same made, a copy of which is to be annexed to this indenture.

And said lessee is to keep the property demised insured to an amount not less than \$225,000, and in case of loss appropriate the money received to repair or replace the property destroyed, or to the improvement of the demised property.

And whereas, the said European and North American Railway have contracted for one thousand tons of steel rails, to be delivered the present year, and to be paid for next year, said lessee agrees to receive, pay for, and place the same upon said railroad.

Fourth. The said lessee further covenants, that it will pay the rent herein reserved, at the times and in the manner herein provided, without demand of the same, and that it will pay all assessments, duties, charges and taxes, that have been or may hereafter be lawfully assessed, laid or imposed, on said European and North American Railway, or the stockholders thereof, by the United

States, said State, or towns and cities, or by any power or authority whatever, or on the earnings, franchise, traffic, business, real estate, property, capital stock or shares of the capital stock of said European and North American Railway; and further covenants that it will pay, assume, provide for and satisfy all the debts, liabilities and obligations of said European and North American Railway, and will fulfill all duties relating to the maintenance, use, and management of the property leased, required or which may be required by law from said lessor corporation, and that it will assume the defence of all actions, suits, complaints and prosecutions now pending, or which may hereafter be brought against the European and North American Railway, or any of its officers, agents or servants, for anything by them done under authority and in behalf of said corporation, and will pay and indemnify said corporation against all costs and expenses of said suits, and judgment thereon, and against all claims, actions, damages and liability on account of anything which may be done or omitted by said lessee, its servants or agents, while exercising or assuming to exercise any of their powers or rights under this indenture, and will assume all suits and actions now pending, or which may be brought against Hannibal Hamlin and William B. Hayford, as late trustees under mortgage of the European and North American Railway Company, and do and perform all things required by the obligations of the European and North American Railway, or the votes of said corporation, for the protection of said trustees, and will defend and assume all suits, actions and complaints, involving the question of title of said European and North American Railway, in and to its railroad and property, the intention being that the stockholders of said European and North American Railway shall, during the term of this lease, have from said lessee five per cent. per annum on the par value of the shares in the capital stock of said corporation, as hereinbefore provided, free from all taxes on said shares, and without any deduction whatever; and that said European and North American Railway

and its stockholders shall not be liable in any manner for any defect in the foreclosure of the said mortgage to said trustees, or in the proceedings for organization of said European and North American Railway, if there is any such defect, and shall not be liable to any deduction from said rent on account of any want of title, or defects as aforesaid.

And it is further agreed that the rights of the stockholders and every one of the stockholders of said European and North American Railway to the said rental and income of five per centum annually on the par value of the said shares, and without any deduction as above, shall never be changed, diminished or abridged; the Maine Central Railroad Company, however, not assuming any questions, or suits, between said European and North American Railway and its stockholders as to the disposition or distribution of the rental received from said lessee, nor any liability to account to individual stockholders for said rent, after the same has been paid, as above provided, by said lessee to said European and North American Railway, nor any liability as to any money or property hereafter acquired by said European and North American Railway, and not embraced in this lease; and said lessee further agrees to furnish free transportation over the railroad hereby leased, to the stockholders of said European and North American Railway, for the purpose of attending any and all meetings of the stockholders of said corporation, and to its Directors to attend Directors' meetings and inspect said leased property.

Fifth. The said lessee further covenants, that it will pay on presentation, on or after maturity, bonds to the amount of nineteen thousand dollars (19,000) issued by the European and North American Railway Company, and secured by a first mortgage on its railroad, and which are due and payable August 1, 1883, and all coupons and interest on said bonds, and cause the same to be cancelled, or given to the European and North American Railway to be cancelled; and also that it will pay on or after maturity,

and when presented, the coupons due, or which may hereafter become due, on all the bonds or scrip issued by the City of Bangor to aid said European and North American Railway Company in the construction of said railroad, said bonds or scrip being one million of dollars, payable in 1894, and bearing six per cent. interest a year, and will pay said bonds or scrip so issued by the City on presentation, on or after maturity, and deliver the said coupons and bonds so paid to be cancelled, and will perform all the acts and obligations required by the act of the Legislature authorizing the issue of said bonds or scrip by said city, and by the mortgage given to the city in pursuance of said act, and remove said incumbrance; provided, however, if the said Maine Central Railroad Company may wish to make a loan for the purpose of paying said bonds so issued by the City, or in case the said city will renew said loan, the same security may be given, to wit: on the railroad from Bangor to Winn, and for subsequent renewals; provided, however, that the bonds so secured shall not exceed one million of dollars at par, and shall not bear a higher rate of interest than six per centum per annum, and the European and North American Railway is to take such action and do such acts as shall be necessary to give such security as aforesaid, and said lessee covenants that it will always pay all bonds so given on renewal or for taking up said city bonds, and the interest and coupons on the same, and that it will never make, suffer or cause any other incumbrance or mortgage on the railroad or property hereby demised.

Sixth. The said lessee further covenants that it will on or before the expiration of every year, during the term of this lease, pay to said European and North American Railway, the sum of five hundred dollars, for the expenses of keeping up the organization of that corporation, and allow its officers to occupy free of rent the office in Bangor, now used by the treasurer, so far as necessary for its business and custody of its books and papers, or some other suitable office or place in the buildings in Bangor

hereby demised, or will provide and maintain some other suitable and satisfactory office in Bangor.

Seventh. The said lessee further covenants that it will not assign or underlet this lease, without the consent of said European and North American Railway, and that it will at all times observe and perform whatever may be necessary to uphold, protect and maintain the franchises, rights and interests of said European and North American Railway, and the title of its railroad and property, and that it will not do nor voluntarily suffer anything to be done which shall tend or lead to a forfeiture of the franchise of said European and North American Railway.

Eighth. The said lessee further covenants that it will maintain freight and passenger station accommodations near the foot of Exchange Street in Bangor, suitable for the business at that point, and the same shall not be discontinued without consent of the European and North American Railway.

Ninth. If said lessee shall at any time fail to pay the rent herein reserved as the same shall become payable, and shall suffer the same to be in arrears more than ninety days from and after the time the same became payable, or shall fail to pay the principal and coupons of the bonds issued by said city as aforesaid when presented for payment on or after maturity, or fail to deposit with the city of Bangor sufficient moneys to pay the same principal and coupons of said bonds as they become due, and shall suffer the same, or any of them, to be in arrears more than ninety days after maturity and presentation for payment, then said European and North American Railway may terminate this lease, and may enter into possession of the said railroad, and all property demised, and all additions and improvements that shall have been made thereto, and remove all persons therefrom, and from thence have, hold and enjoy the same, the same as if this indenture had not been made, and free from any claim by said lessee, and there shall be no other extension or redemption whatever, and it is understood that time shall be of the essence of

this contract and indenture. And in case the said rental is not paid on the first days of October and April as above agreed, said lessee shall pay interest thereon at the rate of six per cent. a year until paid, and the same interest upon coupons and bonds issued by the city, and renewals of same, after maturity and presentation, and until paid.

Tenth. In case either party to this indenture shall hereafter at any time claim that any of the things herein agreed to be done by the other party are not done, then said party so claiming may call upon a board of three disinterested men to be appointed by the Chief Justice of the Supreme Court of this State, or by the Judge of the United States District Court, for the District of Maine, or the United States Circuit Court for this District, upon notice to the other party, which Board or a majority of them shall hear the parties, and determine the matters at issue, and if they find thereon against the party against whom claim or complaint is made, shall determine what shall be done by that party and fix a reasonable time for doing the same, and if said party shall neglect for more than ninety days after the time so fixed to perform the award and finding of said board or a majority thereof, said European and North American Railway, or said lessee may terminate this lease, and the same shall be forfeited, and void.

The party against whom said award is made shall pay the expenses of the hearing and determination.

Neither the stipulations in the said articles 'Ninth' and 'Tenth' shall take away or diminish any other rights or remedies at law or in equity, to enforce the covenants and agreements herein set forth, or to recover damages resulting from the failure of said lessee to fulfil said covenants and agreements, but said stipulations are additional to all other remedies at law and in equity.

Eleventh. The said European and North American Railway on its part covenants that it will, during the term of this lease, uphold and maintain the lawful organization of said corporation, and will do all things on its part to uphold the charter and fran-

chises of the same, and elect such officers as may be necessary for these purposes, and will make such locations and do such things, which it is now or may be authorized to make or do, and which the said lessee may from time to time request, for the purpose of using, operating, improving, renewing or extending said leased property, or any of it, but without any expease or cost to said European and North American Railway, and said lessee may have such access to and inspection of the books, accounts, title deeds, records, files and vouchers of said European and North American Railway, as may be necessary to facilitate the operations and secure the interests of said lessee under this indenture.

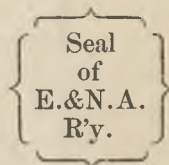
Twelfth. The European and North American Railway does hereby transfer and assign to said lessee all its cash assets, contracts, notes, accounts, claims, judgments, causes of action, appeals and rights of appeal, which it has or is entitled to have, and hereby authorizes said lessee to collect and enforce the same, in the name of, and without cost and expense to said European and North American Railway; and whereas said last named company has certain lands and interests in lands which are not necessary for railway purposes, and are not appurtenant to the railroad, said Maine Central Railroad Company may sell the same, and said European and North American Railway hereby agrees that on request of said lessee it will make such conveyances and assurances of title as may be necessary to vest such absolute title of the same as said corporation has in the purchaser thereof, if said lessee shall sell the same; and it is agreed that the proceeds of such sales shall be devoted by said lessee to the improvement of the railroad and equipment demised. In case the said lessee shall be declared bankrupt, or insolvent under laws of the United States or this State, or in case receivers should be appointed to take possession of its railroad, this lease may be terminated, and the European and North American Railway may enter and take possession of the railroad and property and privileges demised, and all additions and improvements thereto.

In testimony whereof the said corporations have mutually caused this instrument to be subscribed in duplicate in their behalf by Noah Woods, President of said European and North American Railway, and by George E. B. Jackson, President of said Maine Central Railroad Company, both duly authorized for this purpose, and the respective corporate seals of said corporations to be hereunto affixed this thirty-first day of August, in the year of our Lord one thousand eight hundred and eighty-two.

EUROPEAN & NORTH AMERICAN RAILWAY,
By NOAH WOODS, President.

Countersigned by

NOAH WOODS, Treasurer.
THOMAS J. STEWART, Director.



THE MAINE CENTRAL RAILROAD COMPANY,
By GEO. E. B. JACKSON, President.

Countersigned by

J. S. CUSHING, Treasurer
Maine Central Railroad Company.



Signed, sealed and delivered
in presence of

PAYSON TUCKER.
J. H. WOODS.

STATE OF MAINE.

PENOBSCOT, ss.

BANGOR, August 31, 1882.

Then personally appeared Noah Woods, in his capacity of President of the European and North American Railway, and Geo. E. B. Jackson, in his capacity of President of the Maine Central Railroad Company, and acknowledged the foregoing instrument by them respectively signed to be the free act and deed of each of said corporations.

Before me,

EDGAR C. PEARSON,

Justice of the Peace.

